

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary,
copies from this
copy and PLACE
BACK IN FILE)

99600465
2096

**ALEXANDRIA CITY COURT
ALEXANDRIA, LOUISIANA**

SEPTEMBER 30, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4-14-99

TABLE OF CONTENTS

	<u>PAGE</u>	<u>SCHEDULE</u>
INDEPENDENT AUDITORS' REPORT	1	
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)		
Combined balance sheets - all fund types and account groups	4	
Combined statement of revenues, expenditures and changes in fund balance - all governmental fund types	5	
NOTES TO FINANCIAL STATEMENTS	6	
FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS		
General Fund:		
Balance sheet	15	
Statement of revenues, expenditures and changes in fund balance..	16	
Agency Funds:		
Combined balance sheet	18	
Advance court costs fund balance sheet.....	19	
Garnishments fund balance sheet	20	
General Fixed Assets Account Group:		
Statement of general fixed assets	22	
SUPPLEMENTARY DATA		
General fund schedule of expenditures.....	24	1
Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	25	



OESTRIECHER & COMPANY

(A PROFESSIONAL ACCOUNTING CORPORATION)

CERTIFIED PUBLIC ACCOUNTANTS

4641 WINDERMERE PLACE
ALEXANDRIA, LA 71303-3548

P.O. BOX 13500 • ALEXANDRIA, LA 71315-3500

PHONE 318/448-3556 FAX 318/448-4236
E-mail OandCoCPA@aol.com

EMILE P. OESTRIECHER, III, CPA
KURT G. OESTRIECHER, CPA

W. DOUGLAS LACROIX, CPA
PATRICIA L. TATE, CPA

Independent Auditors' Report

To the Honorable Judge Edward E. Roberts
Alexandria City Court
City of Alexandria, Louisiana

We have audited the accompanying general purpose financial statements of Alexandria City Court and the combined individual fund and account group financial statements for Alexandria City Court as of September 30, 1998, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of Alexandria City Court's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. Alexandria City Court has included such disclosures in Note 14. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support Alexandria City Court's disclosures with respect to the year 2000 issue made by Note 14. Further, we do not provide assurance that Alexandria City Court is or will be year 2000 ready, that Alexandria City Court's year 2000 remediation efforts will be successful in whole or in part, or that parties with which Alexandria City Court does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Alexandria City Court, as of September 30, 1998, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the combined individual fund and account group financial statements referred to above present fairly, in all material



respects, the financial position of the individual funds and account group of Alexandria City Court at September 30, 1998, and the results of operations of such funds for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combined individual fund and account group financial statements. The accompanying financial information listed as "Supplementary Data" in the table of contents is presented for purposes of additional analysis and is not a required part of the combined individual fund and account group financial statements of Alexandria City Court. Such information has been subjected to the auditing procedures applied in the audit of the general purpose combined individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to such financial statements of each of the respective individual funds and account group taken as a whole.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for the year in which we expressed an unqualified opinion on the combined individual fund and account group financial statements of Alexandria City Court.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 18, 1999, on our consideration of Alexandria City Court's compliance and on internal controls over financial reporting.


QESTRIECHER & COMPANY
Certified Public Accountants

February 18, 1999

**GENERAL PURPOSE FINANCIAL
STATEMENTS (COMBINED
STATEMENTS - OVERVIEW)**

**Alexandria City Court
Combined Balance Sheets
All Fund Types and Account Groups**

September 30, 1998

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Account Group</u>	<u>Totals (Memorandum Only)</u>	
	<u>General Fund</u>	<u>Agency Funds</u>	<u>General Fixed Assets</u>	<u>1998</u>	<u>1997</u>
<u>Assets</u>					
Cash	\$ 148,262	\$ 289,062	\$ -	\$ 437,324	\$ 373,290
Investments at cost	125,000	15,000	-	140,000	140,000
Accrued interest receivable	415	242	-	657	890
Due from Alexandria City Marshal	11,079	-	-	11,079	11,425
Prepaid expenses	1,023	-	-	1,023	1,276
Due from garnishee	-	57	-	57	57
Due from other funds	-	168	-	168	146
Fixed assets	-	-	295,480	295,480	285,228
Total assets	<u>\$ 285,779</u>	<u>\$ 304,529</u>	<u>\$ 295,480</u>	<u>\$ 885,788</u>	<u>\$ 812,312</u>
<u>Liabilities and fund equity</u>					
Liabilities:					
Accounts payable	\$ 1,678	\$ -	\$ -	\$ 1,678	\$ 1,795
Other liabilities	852	3	-	855	3,767
Advance court costs	-	302,455	-	302,455	280,644
Garnishment collections	-	2,071	-	2,071	2,254
Due to other funds	168	-	-	168	146
Total liabilities	<u>2,698</u>	<u>304,529</u>	<u>-</u>	<u>307,227</u>	<u>288,606</u>
Fund equity:					
Investment in general fixed assets	-	-	295,480	295,480	285,228
Fund balances - Unreserved:					
Undesignated	283,081	-	-	283,081	238,478
Total fund equity	<u>283,081</u>	<u>-</u>	<u>295,480</u>	<u>578,561</u>	<u>523,706</u>
Total liabilities and fund equity	<u>\$ 285,779</u>	<u>\$ 304,529</u>	<u>\$ 295,480</u>	<u>\$ 885,788</u>	<u>\$ 812,312</u>

The notes to the financial statements are an integral part of this statement.

Alexandria City Court
Combined Statement of Revenues, Expenditures and
Changes in Fund Balance - All Governmental Fund Types

for the fiscal year ended September 30, 1998

	FUND TYPES	
	<u>General</u>	
	<u>1998</u>	<u>1997</u>
		(Memorandum Only)
Revenues:		
Court costs	\$ 128,367	\$ 106,939
Interest	7,256	6,415
Department of Public Safety - DWI	5,287	3,850
Postage and copies	<u>2,318</u>	<u>2,902</u>
Total revenues	<u>143,228</u>	<u>120,106</u>
Expenditures:		
Current		
General and administrative	88,373	85,433
Capital outlay	<u>10,252</u>	<u>17,359</u>
Total expenditures	<u>98,625</u>	<u>102,792</u>
Excess of revenues over expenditures	44,603	17,314
Fund balance, October 1	<u>238,478</u>	<u>221,164</u>
Fund balance, September 30	<u><u>\$ 283,081</u></u>	<u><u>\$ 238,478</u></u>

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Alexandria City Court
Notes to Financial Statements

September 30, 1998

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

These financial statements are presented in conformity with generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant accounting policies affecting their presentation.

Fund Accounting

The accounts of Alexandria City Court are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and three broad fund categories as follows:

Governmental Fund -

General Fund:

The General Fund is the general operating fund of Alexandria City Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary Funds -

Agency Funds:

Agency funds are used to account for assets held by Alexandria City Court as an agent for other governmental departments, other organizations and other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Fixed Assets -

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets.

Alexandria City Court
Notes to Financial Statements

September 30, 1998

All fixed assets which are purchased are stated at historical cost. Historical costs include not only purchase price or construction cost, but also ancillary charges to place the asset in its intended location and condition for use. Interest is capitalized in accordance with generally accepted accounting principles with respect to fixed assets. During the fiscal year September 30, 1998, no interest has been capitalized for this purpose.

Reporting Entity

In evaluating how to define the Alexandria City Court, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GAAP. The basic - but not only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

The Alexandria City Court is a potential component unit of the City of Alexandria, Louisiana. However, the Alexandria City Court is a separate reportable entity from the City of Alexandria because it is essentially an autonomous unit. The Judge, an elected official, has the ability to exercise oversight responsibility regarding operations and accountability for fiscal matters. The Alexandria City Court is financially independent of the City of Alexandria, Louisiana.

Basis of Accounting

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded

**Alexandria City Court
Notes to Financial Statements**

September 30, 1998

when the related fund liability is incurred. Court costs are not susceptible to accrual because generally they are not measurable until received in cash.

Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Cash and cash equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the city court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments

Investments are limited by R.S. 33:2955 and the City Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are recorded at cost which approximates market value.

Encumbrances

The Alexandria City Court does not record encumbrances in their accounting system.

2. **CASH AND INVESTMENTS:**

Cash balances are insured to Federal Depository Insurance Corporation limits of \$100,000. Deposits in excess of these limits are secured by collateral held in the pledging bank's trust department. These securities have a fair market value of \$315,613.

**Alexandria City Court
Notes to Financial Statements**

September 30, 1998

At September 30, 1998, the Alexandria City Court had certificates of deposit totaling \$140,000. The certificates bear interest ranging from 4.4% to 5.4% and have maturities ranging from six months to one year, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

3. COURT COSTS PAYABLE:

These various liabilities represent charges against advance court costs deposited for each case and are based on the processing of the case by the judge and/or marshal. As activity occurs in the suit, the advance court costs account is decreased and the related liability account is increased.

4. INTERFUND RECEIVABLES AND PAYABLES:

A summary of the interfund receivables and payables by fund at September 30, 1998, is presented below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Advance Court Costs Fund	\$ 168	\$ 0
General Fund	<u>0</u>	<u>168</u>
	<u>\$ 168</u>	<u>\$ 168</u>

5. ADVANCE COURT COSTS:

Advance court costs are deposits made by plaintiffs who file civil suits. These deposits are recorded as a liability. The court acts only as a collection agent for fees in civil matters. As the suits are processed, the various fees earned are paid out on a monthly basis. Thus, the activity in this account is not reflected in the statement of revenues collected and expenditures paid. After a case is dismissed, any excess deposit is refunded to the plaintiff.

6. GARNISHMENT COLLECTIONS:

The Court acts as a collection agent for garnishments when they are assessed in a civil suit. Ordinarily, the balance in this account represents amounts which have been received by the Court but have not yet been distributed to the person or agency to which they are due.

**Alexandria City Court
Notes to Financial Statements**

September 30, 1998

7. CHANGES IN GENERAL FIXED ASSETS:

A summary of changes in general fixed assets follows:

	Balance <u>9/30/97</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/98</u>
Office furniture and fixtures	\$ 69,595	\$ 0	\$ 0	\$ 69,595
Office equipment	150,933	10,252	0	161,185
Building improvements	<u>64,700</u>	<u>0</u>	<u>0</u>	<u>64,700</u>
	<u>\$285,228</u>	<u>\$ 10,252</u>	<u>\$ 0</u>	<u>\$295,480</u>

8. COMPENSATED ABSENCES:

The Alexandria City Court's obligation for employees' rights to receive compensation for future absences (such as vacation) was not material as of September 30, 1998, and, thus, is not recognized in the accompanying financial statements.

9. ECONOMIC DEPENDENCY:

All revenues collected for Court Costs are received from the Alexandria City Marshal's office. These monies are expended in the operation of the office of the Alexandria City Court.

10. LITIGATION:

As of September 30, 1998, the Alexandria City Court was not a party in any lawsuits as plaintiff or defendant.

11. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS:

As of September 30, 1998, the Alexandria City Court had no construction or other significant commitments in process.

Alexandria City Court
Notes to Financial Statements

September 30, 1998

12. RETIREMENT COMMITMENTS:

The Alexandria City Court contributed \$609 this year to the Parochial Employees' Retirement System of Louisiana on behalf of qualifying individuals employed by the Court. There were six employees of the Court of which one qualified and participated. The Court's covered payroll was \$7,860, and the total payroll for all employees was \$27,328. The participant contributed \$747.

The Parochial Employees' Retirement System of Louisiana required the Court to fund 7.75% and the participants to fund 9.50% of total salary. No actuarial data was available on the aforementioned retirement plan.

13. LEASE

The Alexandria City Court currently is leasing a copier machine from Advanced Office Systems, Inc. for \$278 per month for a term of 36 months ending September 30, 1999.

Future minimum payments required under the lease are as follows:

1999	\$3,336
------	---------

14. YEAR 2000 ISSUES

The year 2000 issue is a common problem affecting all entities, both public and private. As of September 30, 1998 Alexandria City Court had a) surveyed its core computers and programs, b) mapped out plans to replace items identified in (a) above, and c) placed orders for key components of its computer systems. Alexandria City Court has an ongoing process of reviewing and correcting year 2000 anticipated problems as they are encountered.

**FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS**

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

**Alexandria City Court
General Fund
Balance Sheet**

September 30, 1998

Assets

Cash	\$ 148,262
Investments at cost	125,000
Accrued interest receivable	415
Due from Alexandria City Marshal	11,079
Prepaid expenses	<u>1,023</u>
Total assets	<u>\$ 285,779</u>

Liabilities and fund balance

Liabilities:

Accounts payable	\$ 1,678
Due to other fund	168
Other liabilities	<u>852</u>

Total liabilities 2,698

Fund balance:

Unreserved	
Undesignated	<u>283,081</u>

Total fund balance 283,081

Total liabilities and fund balance **\$ 285,779**

The notes to the financial statements are an integral part of this statement.

**Alexandria City Court
General Fund - Statement of Revenues, Expenditures
And Changes In Fund Balance**

for the fiscal year ended September 30, 1998

Revenues:	
Court costs	\$ 128,367
Interest	7,256
Department of Public Safety - DWI	5,287
Postage and copies	<u>2,318</u>
Total revenues	<u>143,228</u>
Expenditures:	
Current	
General and administrative	88,373
Capital outlay	<u>10,252</u>
Total expenditures	<u>98,625</u>
Excess of revenues over expenditures	44,603
Fund balance, October 1	<u>238,478</u>
Fund balance, September 30	<u><u>\$ 283,081</u></u>

The notes to the financial statements are an integral part of this statement.

AGENCY FUNDS

To account for assets held by Alexandria City Court as an agent for others.

**Alexandria City Court
Agency Funds
Combined Balance Sheet**

September 30, 1998

	Advance Court Costs	Garnishments	Total
	<u> </u>	<u> </u>	<u> </u>
<u>Assets</u>			
Cash	\$ 287,045	\$ 2,017	\$ 289,062
Investments at cost	15,000	-	15,000
Accrued interest receivable	242	-	242
Due from garnishee	-	57	57
Due from other funds	168	-	168
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 302,455</u>	<u>\$ 2,074</u>	<u>\$ 304,529</u>
 <u>Liabilities</u>			
Advance court costs	\$ 302,455	\$ -	\$ 302,455
Garnishment collections	-	2,071	2,071
Other liabilities	-	3	3
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 302,455</u>	<u>\$ 2,074</u>	<u>\$ 304,529</u>

The notes to the financial statements are an integral part of this statement.

**Alexandria City Court
Advance Court Costs Fund
Balance Sheet**

September 30, 1998

Assets

Cash	\$ 287,045
Investments at cost	15,000
Accrued interest receivable	242
Due from general fund	<u>168</u>
Total assets	<u>\$ 302,455</u>

Liabilities

Advance court costs	<u>\$ 302,455</u>
---------------------	--------------------------

The notes to the financial statements are an integral part of this statement.

**Alexandria City Court
Garnishments Fund
Balance Sheet**

September 30, 1998

Assets

Cash	\$ 2,017
Due from garnishee	<u>57</u>
Total assets	<u>\$ 2,074</u>

Liabilities

Garnishment collections	\$ 2,071
Other liabilities	<u>3</u>
Total liabilities	<u>\$ 2,074</u>

The notes to the financial statements are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for all general fixed assets owned by the Alexandria City Court.

Alexandria City Court
Statement of General Fixed Assets

September 30, 1998

General fixed assets at cost:

Office furniture and fixtures	\$ 69,595
Office equipment	161,185
Building improvements	<u>64,700</u>
	<u>\$ 295,480</u>

Investment in general fixed assets:

General fund	<u>\$ 295,480</u>
--------------	-------------------

The notes to the financial statements are an integral part of this statement.

SUPPLEMENTARY DATA

**Alexandria City Court
General Fund
Schedule of Expenditures**

for the fiscal year ended September 30, 1998

Schedule 1

General and administrative

Salaries	\$ 27,328
Payroll taxes	229
Computer services	1,785
Equipment lease	4,227
Extra help	600
Insurance	1,230
Office supplies	9,527
Miscellaneous	319
Repairs and maintenance	4,753
Retirement	609
Professional fees	6,817
Postage	4,084
Dues, subscriptions and books	3,841
Uniforms	3,635
Janitorial	1,166
Seminars	18,165
Flowers	<u>58</u>
 Total general and administrative	 <u>\$ 88,373</u>

The notes to the financial statements are an integral part of this statement.



OESTRIECHER & COMPANY

(A PROFESSIONAL ACCOUNTING CORPORATION)

CERTIFIED PUBLIC ACCOUNTANTS

4641 WINDERMERE PLACE
ALEXANDRIA, LA 71303-3548

P.O. BOX 13500 • ALEXANDRIA, LA 71315-3500

PHONE 318/448-3556 FAX 318/448-4236

E-mail OandCoCPA@aol.com

EMILE P. OESTRIECHER, III, CPA
KURT G. OESTRIECHER, CPA

W. DOUGLAS LACROIX, CPA
PATRICIA L. TATE, CPA

**Report on Compliance and on Internal Control over Financial Reporting
Based on an Audit of Financial Statements Performed
in Accordance With Government Auditing Standards**

To the Honorable Judge Edward E. Roberts
Alexandria City Court
Alexandria, Louisiana

We have audited the general purpose financial statements of Alexandria City Court, Alexandria, Louisiana, as of and for the year ended September 30, 1998, and have issued our report thereon dated February 18, 1999, which was qualified because insufficient audit evidence exists to support Alexandria City Court's disclosures with respect to the year 2000 issue. Except as discussed in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Alexandria City Court's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Alexandria City Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in



the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.


OESTRIECHER & COMPANY
Certified Public Accountants

February 18, 1999